



State of Utah

Department of  
Natural Resources

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*Executive Director*

Division of  
Oil, Gas & Mining

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*Division Director*

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GAYLE F. McKEACHNIE  
*Lieutenant Governor*

October 8, 2004

CERTIFIED RETURN RECEIPT  
7099 3400 0016 8896 0587

David Penney  
Penney's Gemstones  
2400 East 30 South  
P.O. Box 312  
Beaver, Utah 84713-0312

Subject: Failure to Complete LMO Application, David Penney, Sliver 3-4,  
S/001/057, Beaver County, Utah

Dear Mr. Penney:

On July 30, 2004 the Division Minerals technical staff met with you in our Salt Lake City office, to discuss the major deficiencies in your Large Mine Plan submitted April 1, 2004 for the Sliver 3-4 Mine. During this meeting, there were several important things the Division asked you to do to complete the Large Mining Plan. The first item you needed to complete was accurate and complete reclamation maps and operational maps. These maps needed to reflect what is currently found onsite in terms of size of pits, waste dumps and roads and then project five years in the future what will be found after mining is complete. This involved you taking engineering cross-sections as explained in the meeting and conceptualizing how these cross-sections will change in the future

The second important issue discussed and requested was to get some site specific soils and vegetation information for the mine site. This information was to compliment the reclamation plan.

Your failure to complete the Large Mining application is placing the Sliver 3-4 mine permit in jeopardy. The Mineral rules at R647-3-113 require that you have Division approval prior to expanding a mining operation beyond five acres of disturbance. Therefore, it is imperative that you:

David Penney  
Page 2 of 2  
S/001/057  
October 5, 2004

- supply the necessary and complete information for this large mine application by November 8, 2004; or
- withdraw your application for a large mine and immediately commence reclaim below five acres. If you choose this option, you must adequately delineate this five acre area by no later than November 8, 2004. Reclamation of the existing minesite down to less than five acres must be appropriately completed and seeded by November 30, 2004. All seed tags must be kept and the soil must be left in a rough and stable manner.

Failure to comply by November 8, 2004, may result in enforcement action, including fines.

After talking with you on the phone on October 6, 2004, Tom Munson indicated that your wish is to discount the mine access road to decrease your acreage. This is not acceptable to the BLM (landowner), or the Division since it is used and will continue to be used as a mine access road.

If you choose the alternative of reclaiming the minesite below five acres, then you must be made aware that in the future if you expand beyond five acres at any time without first amending your notice(s), posting adequate surety and receiving written approval from the Division, and/or any other agency involved, you will automatically be issued a Notice of Violation.

If you have any further questions regarding the conditions of this letter, please contact me at (801) 538-5325, or Tom Munson at 538-5321.

Sincerely,



Daron Haddock  
Permit Supervisor  
Minerals Regulatory Program

DRH:TM:jb  
cc: Ed Ginouves, BLM, Cedar City FO (UTU-71326)  
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